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Financing of the United Nations Observer Mission in Georgia

Budget performance report for the period from 1 July 1999 to 30 June 2000 and budget for the period from 1 July 2001 to 30 June 2002 of the United Nations Observer Mission in Georgia

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financial performance of the United Nations Observer Mission in Georgia (UNOMIG) for the period from 1 July 1999 to 30 June 2000 (A/55/682) and the proposed budget for the Mission for the 12-month period from 1 July 2001 to 30 June 2002 (A/55/768). During its consideration of the reports, the Committee met with representatives of the Secretary-General, who provided additional information and clarification.

2. The United Nations Observer Mission in Georgia was established by the Security Council in its resolution 858 (1993) of 24 August 1993. Since then, its mandate has been extended by the Security Council in various resolutions, the latest being resolution 1339 (2001) of 31 January 2001, by which the Council extended the mandate of the Mission until 31 July 2001.

Financial performance report for the period from 1 July 1999 to 30 June 2000

3. By its resolution 53/232 of 8 June 1999, the General Assembly appropriated an amount of $31,000,479 gross ($29,505,279 net) for the maintenance of UNOMIG for the period from 1 July 1999 to 30 June 2000, inclusive of $1,541,759 for the support account for peacekeeping operations and $302,320 for the United Nations Logistics Base at Brindisi, Italy (UNLB). That amount has been assessed on

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Member States. As indicated in the report of the Secretary-General on the budget performance of UNOMIG, expenditures for the period amounted to $25,004,000 gross ($23,729,800 net), inclusive of $2,810,000 in unliquidated obligations. The resulting unencumbered balance of $5,996,479 gross ($5,775,479 net) represents, in gross terms, 19 per cent of the amount appropriated (A/55/682, para. 9 and table 1).

4. The Advisory Committee notes that the unencumbered balance resulted mainly from savings under military personnel, civilian personnel and operational requirements owing to restrictions on movement and the continued closure of team bases, as well as the decision to postpone the separation of the Gali and Zugdidi sector offices for security reasons and the postponement of the establishment of liaison offices in Istanbul and at the airport in Adler in the Russian Federation. Other factors resulting in savings included a vacancy rate of 19 per cent for international staff, as well as more favourable contractual arrangements than anticipated for both helicopters and fixed-wing aircraft, offset in part by requirements for general temporary assistance and travel.

5. The Advisory Committee was informed that the cash position of the Mission as at 31 December 2000 was $4 million and that unliquidated obligations for the period from 1 July 1999 to 30 June 2000 amounted to $1.6 million, of which $0.5 million were Government-related, while $1.1 million were not. The total amount assessed on Member States for UNOMIG as at 31 December 2000 was $127.1 million, against which the payments received amounted to $111 million, leaving an outstanding balance of $16.1 million.

6. With regard to contingent-owned equipment, the Advisory Committee was informed that the estimated amount owed as at 31 December 2000 was $409,503 and that unliquidated obligations for contingent-owned equipment amounted to $378,975, in addition to an amount of $151,704 held in accounts payable. In respect of death and disability compensation, $137,000 had been paid as at 31 December 2000 for five claims, two claims were pending and unliquidated obligations amounted to $53,087.

7. The Advisory Committee recognizes that political instability and security problems in the Mission area have made it impossible to fully implement the planned activities of the Mission and have affected the deployment of civilian and military personnel, leading to high vacancy rates. As reflected in the Secretary-General's report, the vacancy rates for the period from 1 July 1999 to 30 June 2000 was 23 per cent for military observers, 19 per cent for international staff and 8 per cent for local staff (ibid., table 2). The Committee notes, however, from the additional information provided to it, that vacancy rates have improved somewhat during the current period. As at 31 December 2000, the vacancy rate was 24 per cent for military observers, 3 per cent for international staff and nil for local staff (see also para. 9 below).

8. The action to be taken by the General Assembly in connection with the financing of UNOMIG for the period from 1 July 1999 to 30 June 2000 is indicated in the report of the Secretary-General (ibid., para. 11). **The Advisory Committee recommends that the unencumbered balance of $5,996,479 gross ($5,775,479 net) for the period from 1 July 1999 to 30 June 2000 be credited to Member States in a manner to be determined by the General Assembly.**

Information on performance for the current period

9. The Advisory Committee was informed that against the authorized staffing establishment of UNOMIG for the period from 1 July 2000 to 30 June 2001 of 135 military observers, 89 international staff and 148 local staff, the encumbered posts as at 31 December 2000 were 102 military observers, 86 international staff and 148 local staff.

10. The Advisory Committee was provided with expenditure data for the period from 1 July 2000 to 30 June 2001 as at 31 December 2000. Expenditure for the period amounted to $11,265,400 gross ($10,655,400 net) against an apportionment of $30,048,200 gross ($28,539,500 net).

Cost estimates for the period from 1 July 2001 to 30 June 2002

11. As indicated in the report of the Secretary-General in the proposed budget of UNOMIG for the period from 1 July 2001 to 30 June 2002, the proposed budget for the maintenance of the Mission during that time period amounts to $26,994,600 gross ($25,382,700 net) (A/55/768, paras. 1 and 2 and table 1). This amount represents a 4.9 per cent decrease ($1,405,200), in gross terms, in relation to the apportionment for the current period ending 30 June 2001. The proposed budget reflects decreases of $1,008,000, or 20.7 per cent, in military personnel costs and $1,183,700, or 12.9 per cent, in operational requirements, offset in part by increases of $567,300, or 4.4 per cent, in civilian personnel costs and $116,000, or 158 per cent, in other programmes.

12. The reduced requirements under military personnel are due to provision for military observers on the basis of a 15 per cent turnover factor against the authorized strength of 135 and take into account an average actual deployment of 102 observers over the preceding three financial periods. The cost estimates for international staff take into account a 10 per cent vacancy factor.

13. The Advisory Committee notes the proposed changes in the staffing of the Mission, as outlined in the report (ibid., sect. VIII), namely, the net increase of 38 posts (10 international and 28 local) and the reclassification of one P-3 post to the P-4 level and two P-2 posts to the P-3 level. Four of the new posts will be for the new Air Operations Unit to be established within the General Services Section. **The Committee has no objection to the proposed changes in staffing.**

14. The Advisory Committee recalls its statement in its report of 10 April 2000 in which it encouraged the Secretariat to intensify its efforts to identify qualified personnel for the public information programme in UNOMIG (A/54/841/Add.5, para. 16). The Committee notes, as indicated in the Secretary-General's report, that the post of Special Information Officer was filled in February 2000 (A/55/768, annex IV, item 2).

15. The Advisory Committee notes that the bulk of the decrease under operational requirements is attributable to decreased requirements under transport operations ($2,372,900). Upon enquiry, the Committee was informed that the large decrease was due to the fact that the previous budget submission included a requirement for seven armoured personnel carriers. Those vehicles were purchased and there was therefore no such requirement in the proposed budget for 2001-2002. The

Committee also notes that, with the write-off of a number of vehicles, the vehicle establishment would be reduced from 204 to 179. The Committee enquired as to how such a decrease was possible given the proposed increase in staff, and was provided with the following statement in response:

> "The reduction in the number of vehicles from 204 to 179 during the budget period 2001-2002 is due to the scheduled write-off of 24 vehicles comprised of 19 4x4 general purpose vehicles and 5 light trailers. Also during the same period, a 20-ton crane truck will be shipped back to the United Nations Logistics Base at Brindisi, Italy. The reduction will only affect the requirements of the military observers to which the 19 4x4 general purpose vehicles were originally assigned. It was determined by the Field Administration and Logistics Division and the Mission that it would be more suitable for the military observers to use the armoured/mine-protected vehicles already in existence in the Mission instead of the 4x4 general purpose vehicles. It should also be noted that the increase in civilian staffing requirements for the period 2001-2002 was taken into consideration when the proposed vehicle establishment of 179 was calculated."

16. The Advisory Committee notes the statement in the report of the Secretary-General (ibid., annex I.C, para. 9) that the decrease in requirements for premises/accommodation is due to the smaller scale of the planned renovation projects. Upon enquiry as to the reason for the across the board increases for rental of premises (ibid., annex II.A, item 15) the Committee was informed that there had been almost no rent increases in the past seven years and that increases were therefore justified at this time.

17. The Advisory Committee recalls that, in its report on the accounts of the United Nations peacekeeping operations for the financial period ending 30 June 2000, the Board of Auditors mentioned UNOMIG as one of the peacekeeping operations in which discrepancies were noted in the updating of the field assets control system (see A/55/5, vol. II, paras. 66, 69 and 78). **The Committee trusts that efforts will be made to rectify this situation.**

18. The actions to be taken by the General Assembly in connection with the financing of UNOMIG for the period from 1 July 2001 to 30 June 2002 are set out in the proposed budget (A/55/768, para. 3). **The Advisory Committee recommends that the amount of $26,994,600 gross ($25,382,700 net) be approved for the maintenance of UNOMIG for the 12-month period beginning 1 July 2001, and that that amount be assessed at a monthly rate of $2,249,550 gross ($2,115,225 net) should the Security Council decide to continue the mandate of the Mission.**